

272A.9-010 Indemnification and advancement.

- (1) The organic rules may provide indemnification to a director for judgments, settlements, penalties, fines, or expenses incurred in a proceeding to which a director is a party because the person is a director.
- (2) No indemnification may be provided for conduct violating the standards in effect pursuant to KRS 272A.8-180.
- (3) The organic rules may provide that the limited cooperative association may advance expenses, including reasonable attorney's fees and costs, incurred by a director in connection with a claim or demand against the director by reason of the director's relationship to an association before the final disposition of the claim or demand, upon an undertaking by or on behalf of the director to repay the association if the director is ultimately determined not to be entitled to be indemnified under subsection (2) of this section. The terms of the undertaking shall be as set forth in the organic rules or as approved by the disinterested director and shall be in a record.
- (4) The organic rules may provide for the indemnification of and advancement to other persons including committee members who are not directors.

Effective: July 12, 2012

History: Created 2012 Ky. Acts ch. 160, sec. 76, effective July 12, 2012.